

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 917 w/CS Student Tuition Assistance

SPONSOR(S): Baxley

TIED BILLS: **IDEN./SIM. BILLS:** SB 638

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Higher Education (Sub)	4 Y, 1 N	Britton	Bohannon
2) Education K-20	21 Y, 3 N w/CS	Britton	Bohannon
3) Education Apps. (Sub)			
4) Appropriations			
5)			

SUMMARY ANALYSIS

Currently, Florida does not offer access grants to students who are residents of the state and attend for-profit colleges and universities.

HB 917 with Committee Substitute creates the Access to Better Learning and Education (ABLE) Grant Program. The grant program will be administered by the Department of Education and limited to Florida resident students seeking a baccalaureate degree from a for-profit college or university that: is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; grants baccalaureate degrees; is located in and chartered by the state; and has a secular purpose. In addition, in the second year of the program students who attend a nonprofit college or university that is: chartered out of the state; located in the state for 10 years or more and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, the Middle States Accrediting Agency, the North Central Accrediting Agency, or the New England Accrediting Agency; grants baccalaureate degrees; is not a state university or state community college; and has a secular purpose. The annual amount of the grant would be established in the General Appropriations Act, and the grant program would have no relation to a student's need for financial assistance.

There will be no fiscal impact on local governments, but there will be an impact on state government expenditures. The annual amount of funding for the grant would be determined by the Legislature and established in the General Appropriations Grant. Please refer to the Fiscal Comments and Economic Impact Section.

The extent to which enrollment at these institutions may increase in the future or the extent to which additional institutions and their students may become eligible to participate in the program is unknown. In addition, the extent to which students may change their status from associate degree-seeking to baccalaureate degree-seeking and therefore qualify for this program is also unknown.

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This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0917c.edk.doc

DATE: April 14, 2003

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. DOES THE BILL:

- | | | | |
|--------------------------------------|---|--|---|
| 1. Reduce government? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. Lower taxes? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. Expand individual freedom? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |
| 4. Increase personal responsibility? | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. Empower families? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> | N/A <input type="checkbox"/> |

For any principle that received a "no" above, please explain:

The bill creates a new tuition assistance program that is administered by the Department of Education.

B. EFFECT OF PROPOSED CHANGES:

Currently, Florida offers access grants for resident students to attend nonprofit colleges and universities. The program is called the Florida Resident Access Grant (FRAG) Program, and for the 2002-2003 academic year, the total funding for the FRAG Program in the General Appropriations Act was \$79,841,350. This amount was able to support 29,725 students at \$2,686 per student.

However, Florida does not offer access grants to resident students who attend for-profit colleges and universities. HB 917 w/CS creates the Access to Better Learning and Education Grant Program. The grant program would be administered by the Department of Education and limited in its first year to Florida resident students seeking a baccalaureate degree from a for-profit college or university that: is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools; grants baccalaureate degrees; is located in and chartered by the state; and has a secular purpose. In the programs second year students attending a nonprofit college or university that is: chartered out of the state; located in the state for 10 years or more and is accredited by the Commission on Colleges of the Southern Association of Colleges and Schools, the Middle States Accrediting Agency, the North Central Accrediting Agency, or the New England Accrediting Agency; grants baccalaureate degrees; is not a state university or state community college; and has a secular purpose would also be eligible to receive the grant.

HB 917 w/CS requires that the grant program's funding be established in the General Appropriations Act, and the grant program would have no relation to a student's need for financial assistance.

At present, students attending three institutions would qualify for this new grant in its first year. Those institutions are South University in West Palm Beach, Keiser College, and Al Miami International University of Arts and Design. Based upon information provided by these institutions for current year student enrollments, there are 848 students enrolled in baccalaureate programs and 4,315 students enrolled in associate degree programs. The extent to which students seeking associate degrees may change their degree status from associate to baccalaureate if this bill becomes law is unknown.

The ABLE grant's second year of existence would qualify 11 more colleges and universities for the grant program. Those institutions are Carlos Albizu University, Columbia College, Johnson & Wales University, National Louis University, New York Institute of Technology, Northwood University, Trinity International University, Troy State University, Union Institute & University, Webster University, University of St. Francis. Based upon information provided by these institutions from 2001 student enrollments, there were 3,484 Florida resident students enrolled in baccalaureate degree programs. The number of associate degree seeking students enrolled at these institutions was not known at the time this analysis was completed.

C. SECTION DIRECTORY:

Section 1: Creates a new section of Florida statutes relating to the Access to Better Learning and Education Grant Program.

Section 2: Provides and effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

During the first year of program implementation, the estimated number of baccalaureate degree seeking students at the three eligible institutions is 848. The annual amount of funding for the grant would be determined by the Legislature and established in the General Appropriations Act. For example, if the Legislature chose to fund the Access to Better Learning and Education Grant at the current level of support for the Florida Resident Access Grant (\$2,686 per student), the cost to the state for program implementation in the current year would have been \$2,277,728.

During the second year of program implementation, the estimated number of baccalaureate degree seeking students at the fourteen eligible institutions would be 4,332 (848 + 3,484). Again the annual amount of funding would be determined by the Legislature and established in the General Appropriations Act. For example, if the Legislature chose to fund the ABLE Grant at the current level of support for the FRAG (\$2,686 per student), the cost to the state for program implementation would be \$11,635,752.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The grant would provide funding to students attending baccalaureate degree granting, for-profit colleges and universities, thereby reducing the total cost to the students to be provided from other sources.

D. FISCAL COMMENTS:

The fiscal impact of this bill is indeterminate. The annual amount of the grant would be determined by the Legislature and established in the General Appropriations Grant. For example, as stated above, if the Legislature chose to fund the Access to Better Learning and Education Grant at the current level of support for the Florida Resident Access Grant (\$2,686 per student), the cost to the state for program implementation in the current year would have been \$2,277,728. During the second year of the ABLE Grant Program, the estimated cost of implementation at the current level of FRAG support would be \$11,635,752.

In addition, the extent to which enrollment at these institutions may increase, or the extent to which additional institutions and their students may become eligible to participate in the program is unknown. Finally, there is the possibility that students may change their status from associate degree-seeking to baccalaureate degree-seeking and, therefore qualify for this program.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

See other.

2. Other:

The bill does not appear to have any constitutional issues.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On April 3, 2003, the Subcommittee on Higher Education recommended a strike-all amendment to clarify that the program will only be implemented to the extent the Legislature chooses to fund it. The bill as amended was reported favorably by the subcommittee.

On April 14, 2003, the Committee on Education K-20 adopted 2 amendments: the strike-all amendment recommended in subcommittee and an amendment to the amendment.

Amendment 2, expands the type of students eligible to receive the ABLE grant to those students who are also enrolled in nonprofit colleges and universities chartered outside the state, but located in the state for 10 years or more and is accredited by the appropriate association.

The bill, as amended, was reported favorably with a committee substitute by the committee with a vote of 21 Yeas and 3 Nays.